

## AMS CHANGE REQUEST (CR) COVERSHEET

**Change Request Number:** 14-38

**Date Received:** Apr 24, 2014

**Title:** Earned Value Management (EVM)

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**Initiator Name:** David Lankford

**Initiator Organization Name / Routing Code:** AAP-130

**Initiator Phone:** 202.267.3777

**ASAG Member Name:** David Lankford

**ASAG Member Phone:** 202.267-8407

**Guidance and Policy must be submitted with separate CR coversheets**

Policy

**Or**

Procurement Guidance

Real Estate Guidance

Other Guidance

**Summary of Change:**

**Reason for Change:**

The change was based on the AEB Steering Group Committee to access the current state of EVM activities.

**Development, Review, and Concurrence:**

AAP-130 and AEB.

**Target Audience:**

FAA Acquisition Workforce]

**Briefing Planned:** Yes.

**ASAG Responsibilities:** Yes. Courtesy copy.

**Section / Text Location:**

Earned Value Management Policy, Section 4.16

**The redline version must be a comparison with the current published FAST version.**

I confirm I used the latest published version to create this change / redline

**Or**

This is new content

**Links:**

<http://fast.faa.gov/docs/acquisitionManagementPolicy/AcquisitionManagementPolicy4.16.pdf>

**Attachments:**

Redline and final documents.

FAST Version 4/2014

CR 14-38

p. 1

Other Files:  
None.

## Redlines

### Section Revised: 4.16 Earned Value Management

#### 4.16 Earned Value Management Added 4/2014

~~All~~ organizations responsible for FAA capital investment programs that involve development, modernization, or enhancement are may be required to develop and implement an earned value management (EVM) system. ~~consistent with guidance in FAST (link to EVM Guide). The objective is integration of all related management disciplines (e.g., systems engineering, cost estimating, procurement, scheduling, and risk management) using earned value management to effectively support program execution.~~ Earned value management provides the FAA with timely, accurate, and integrated cost, schedule, and technical performance information for managing both the total investment program and individual supporting contracts development, modernization, and enhancement activity. ~~It continuously measures the quantity and value of completed work and enables the forecast of reliable estimates of future performance.~~

### Section Revised: 4.16.1 EVM Requirements

#### 4.16.1 ~~Program~~ EVM Requirements Revised 4/2014

FAA capital investment programs must use Table 4.16.1-1 to determine application of earned value management to development, modernization, and enhancement work assigned to contractors. Implementation is based on contract value, contract type, and an assessment of cost, schedule, and technical performance risk of each contract. Implementation Development, modernization, and enhancement programs must use an EVM system based on the guidelines in American National Standard ANSI/EIA 748, Earned Value Management Systems, for the total program effort, including both government and contractor work, according to the following table. Program EVM must be consistent with the acquisition strategy in the implementation strategy and planning document, section ~~3.2.82~~, Contract Management Program Control. ~~Major investment programs are those required by the Office of Management and Budget to submit an OMB Exhibit 300. The Joint Resources Council or appropriate investment decision authority designates non-major programs required to have an EVMS.~~

#### ~~FAA Program EVMS Requirements~~

	<del>Program Type</del>	<del>Program Type</del>	<del>Program Type</del>
<del>EVMS Requirements</del>	<del>Major</del>	<del>Non-Major</del>	<del>Other</del>

Exhibit 300	R	T	Ø
Integrated Master Schedule	R	T	Ø
Integrated Baseline Review	R	T	Ø
EVM Standard Compliance	R	R	Ø
EVM System Certification	R	Ø	Ø

R = Required by approving authority

T = Tailored: requirement may be tailored by program Ø = Optional

#### 4.16.2 ~~Contract Requirements~~ Revised 11/2009

Contractor EVM implementation must be consistent with the strategy in the implementation strategy and planning document, section 2.8, Contract Management. All capital investment programs must use the following table to determine the application of EVM to the development, modernization, and enhancement work assigned to contractors. The requirements apply to all contract types. On an exception basis, low-risk contractor efforts, i.e., firm fixed-price production, may implement EVM within a FAA program office at the program level. Contractor EVM implementation must be based on an assessment of the cost, schedule, and technical performance risk of each contract.

**Table 4.16.1-1 FAA ~~Contract~~ EVMS Requirements**

<u>Contract Type</u>	<u>Contract Value &gt; \$50M</u>	<u>Contract Value \$20M - \$50M</u>	<u>Contract Value &lt; \$20M</u>
<u>Cost reimbursement</u>	R	T	N
<u>Fixed-price incentive</u>	R	T	N
<u>Firm fixed price</u>	N	N	N
<u>Time &amp; materials</u>	N	N	N
<u>Other contract types</u>	N	N	N
<u>Fixed price construction</u>	N	N	N

	<b>Total Contract Value (\$M)</b>	<b>Total Contract Value (\$M)</b>
<b>EVMS Requirements</b>	<b>≥\$10</b>	<b>&lt;\$10</b>
Contract Performance Report	R	Ø
Integrated Master Schedule	R	Ø
Integrated Baseline Reviews	R	Ø
EVMS Standard Compliance	R	Ø
EVM System Certification	R	Ø

*R = ~~Require~~ EVM normally  
required by approving authority*

*T = Application of EVM is tailored by the program manager, ~~and~~ contracting officer, and EVM  
focal point*

*-O = ~~Optional~~ N = EVM not  
normally applied*

#### **Section Revised: 4.16.2 Contractor Management Control System Certification**

The Joint Resources Council may designate the application of earned value management to any development, modernization, and enhancement contract.

#### **4.16.3 4.16.2 EVMS Certification Requirements Contractor Management Control System Certification Revised 4/2014**

~~Capital investment programs~~ Contractors are required to apply earned value management on development, modernization, and enhancement contracts ~~over over~~ over \$50 million. They must have an earned value management control system ~~required to use that is an EVM system in accordance with AMS Section 4.16.1~~ must be certified as meeting to comply with the 32 guidelines of ANSI/EIA-748, Earned Value Management Systems. For development, modernization, and enhancement contracts between \$20 and less than \$50 million, the contractor management control system must comply with the ANSI/EIA-748 guidelines as tailored by the program manager, ~~and~~ contracting officer, and EVM focal point. ~~-(See the FAA EVM Guide for tailoring guidance).~~

~~-. The EVM Focal Point (ATO A) assesses and validates EVM implementation and monitors application to ensure compliance. The AIT Value Management Office (AIT) certifies program EVM systems.~~

The contracting officer validates the contractor management control system as meeting contract management control requirements, assisted by the EVM focal point quality officer (AAP 200). The EVM focal point quality officer assesses contractor implementation of its management control system and monitors application to ensure compliance. The EVM focal point quality officer determines whether a contractor requires an EVMS certification review or whether an existing certification is acceptable. The EVM focal point quality officer establishes agreements with other government agencies to recognize contractor EVM certifications and surveillance reports.

~~FAA contractors required to use an EVM system in accordance with AMS Section 4.16.2 must be certified as meeting the guidelines of ANSI/EIA-748. Contractor EVM implementation must be validated by the~~

Contracting Officer, assisted by the EVM Focal Point. The EVM Focal Point determines whether a contractor requires an EVMS certification review or whether an existing certification and EVM surveillance process are acceptable. The EVM Focal Point will establish agreements with other government agencies to recognize contractor EVM certifications and surveillance reports.